A RESOLUTION BY TRANSPORTATION COMMITTEE

A RESOLUTION ON BEHALF OF THE DEPARTMENT OF AVIATION AUTHORIZING THE MAYOR TO EXECUTE A FIVE-YEAR RENEWAL OF AGREEMENT FC-7498-02, NATIONAL OR REGIONAL BRANDED HAMBURGER CONCESSION FOR CONCOURSE B AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH MACK II, INC.; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City"), as owner and operator of Hartsfield-Jackson Atlanta International Airport, entered into Agreement FC-7498-02, National or Regional Branded Hamburger Concession for Concourse B ("Agreement"), with Mack II, Inc. ("Tenant"), effective June 17, 2004, pursuant to Resolution 03-R-2122; and

WHEREAS, the Agreement had an initial term of five years and included one five-year renewal option at the sole discretion of the City; and

WHEREAS, pursuant to the terms of the Agreement, due to a delay by the City in providing Tenant with possession of the leased premises, the commencement date of the Agreement was August 1, 2009; and

WHEREAS, the initial term of the Agreement will expire on July 31, 2009; and

WHEREAS, the Aviation General Manager is satisfied with Tenant's performance and believes the renewal of the Agreement for five years is appropriate and in the best interest of the City; and

WHEREAS, accordingly, the Chief Procurement Officer and Aviation General Manager have recommended that the Agreement be renewed for five years.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ATLANTA, GEORGIA, HEREBY that the Mayor is authorized to execute a five-year renewal of the Agreement, as provided in the Agreement.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare the Renewal for execution by the Mayor.

BE IT FINALLY RESOLVED that the Renewal will not become binding on the City and the City will incur no obligation or liability under it until it has been executed by the Mayor, attested to by the Municipal Clerk, approved as to form by the City Attorney and delivered to Tenant.



April 27, 2009

Shirley Franklin Mayor

Benjamin R. DeCosta Aviation General Manager

Adam Smith Chief Procurement Officer 55 Trinity Avenue Suite 1790 Atlanta, GA 30303

Re: Mack II (FC-7498-02) National Hamburger 5 year Renewal Option

Dear Adam:

The contract between the City of Atlanta and Mack II expires on July 31, 2009. The Department of Aviation plans to exercise the five (5) year renewal option as outlined in the lease agreement. My staff is currently working with the Law Department to draft the required resolution to submit at the June 15th full council meeting.

We appreciate your partnership and ask that you support our request to extend the above mentioned contract. If you have any questions or concerns, you can contact Marlene Coleman at 404-209-2061.

Sincerely,

Ben DeCosta

Aviation General Manager

cc: John Cugasi

Lepora Manigault Mack Wilbourn



<u>Part II: Legislative White Paper:</u> (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:	
Committee of Purview:	
Caption:	
Council Meeting Date:	
Requesting Dept.:	
FAC Confirmed by:	

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

Mack II has successfully operated Checker's since June 2004. They were the top ranked proponent of the National or Regional Hamburger RFP (FC-7498-02). Section 2.1 of the Lease Agreement gives the City the option to extend the Agreement an additional five (5) years. Tenant is required to refurbish the public areas of the Premises at a minimum investment of one hundred dollars (\$175) per square foot.

Mack II has performed admirably during their tenure in operating at Hartsfield Jackson. The Checker's ranked #1 in the world and the two Popeye's are ranked #1 and #2 in the world.

Over the years, Mack II has provided excellent customer services to our traveling public .Mack II scored 85% on their monthly Assurance Inspections for the current year exceeds the departmental standard of 80%. The inspections covered customer service compliance; facilities and appearance; health and sanitation; merchandising and pricing. They performed exceptionally in terms of operational efficiency when compared against other Food & Beverage operations at Hartsfield-Jackson Airport. Their Mystery Shopper and Customer Service scores averaged 86% for this current year which is higher than the Airport 82% standard. In addition, Mack II's Health and Sanitation reports reflected extremely good sanitation practices throughout their units.

2. Please provide background information regarding this legislation.

In April 2002, the City began advertising an RFP (FC-7498-02) process to select a company to construct, fit and finish and manage one (1) National or Regional Hamburger location on Concourse B. The term of the proposed agreement was five (5) years with one (1) five (5) year renewal at the City's option.

The contract commenced on August 1, 2004, therefore establishing July 31, 2009 as the expiration date.

Mack II, Inc. (a fast food management company) was started in June 1972 in Atlanta, Georgia by Mack Wilbourn. Over a span of 20 years, the company owned a total of four McDonald's franchises.

After selling the franchises in 1992, Mack II, Inc. became an Olympic licensee as a color-changing glass and mug wholesaler for the 1996 Atlanta Summer Olympics. The product was merchandised by retail shops and stores that carried Olympic products. Mack II also marketed to corporate sponsors including Coca Cola.

In 1995, while working as an Olympic licensee, Mack II, Inc. re-entered the restaurant industry at the Atlanta Airport with a Popeye's Chicken & Biscuits on Concourse C and an Edys Ice Cream in the Atrium (actually opened in 1996). In 1998, a second Popeye's Chicken & Biscuits location opened on Concourse B. Both Popeye's Chicken locations have ranked No. 1 and No. 2 in sales since opening.

As a part of Mack II's expansion plan, the company opened a Checkers Hamburger in the Atlanta Airport on Concourse B in August 2004. It has ranked No. 1 in Sales each year thereafter.

3. <u>lf Ar</u>	Applicable/Known:				
(a)	Contract Type (e.g. Professional Services, Construction Agreement, etc):				
	Concession Lease Agreement				
(b)	Source Selection:				
(c)	Bids/Proposals Due:				
(d)	Invitations Issued:				
(e)	Number of Bids:				
(f)	Proposals Received:				
(g)	Bidders/Proponents:				
(h)	Term of Contract:				
4. Fund Account Center (Ex. Name and number):					
Fund: _	Account: Ce	nter:			
5. Source of Funds: Example: Local Assistance Grant					
	N/A				
6. Fisc	scal Impact:				
	N/A				

	-	This legislation will result in a reduction mber	in the amount of	to Fund Account	
7.	Method of Cost Recovery:				
	N/A				
Exa	amples:				
	a.	Revenues generated from the permits r fund the personnel needed to carry out the		n will be used to	
	b. Money obtained from a local assistance grant will be used to cover the costs of Summer Food Program.		the costs of this		
Thi	s Legisl	ative Request Form Was Prepared By:	Marlene Coleman		

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE	ATTN: GREG PRIDGEON					
Dept.'s Legislative Liaison:	Anita Williams					
Contact Number: 404-530-6	6600					
Originating Department:	Aviation					
Committee(s) of Purview:	Transportation					
Chief of Staff Deadline:	5/26/09					
Anticipated Committee Meeting Date(s): 6/10/09						
Anticipated Full Council Date: 6/15/09						
Commissioner Signature:						
Chief Procurement Officer Signature:						
CAPTION A RESOLUTION ON BEHALF OF THE DEPARTMENT OF AVIATION AUTHORIZING THE MAYOR TO EXECUTE A FIVE- YEAR RENEWAL OF AGREEMENT FC-7498-02, NATIONAL OR REGIONAL BRANDED HAMBURGER CONCESSION FOR CONCOURSE B AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH MACK II, INC.; AND FOR OTHER PURPOSES.						
FINANCIAL IMPACT (if any) Mayor's Staff Only						
Received by CPO:(date)	Received by LC from CPO:(date)					
Received by Mayor's Office: (da	Reviewed by: (date)					
Submitted to Council: (da	te)					